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SUBJECT: ECUADOR'S NEW MINISTER OF TRANSPORT ENTHUSIASTIC,
ECLECTIC

REF: QUITO 2167

¶1. (U) Summary: Ambassador met with new Minister of Transport, Hector Villagran Cepeda, on October 2 and learned more about his plans to rehabilitate the Ecuadorian railroad and promote the U.S. role in its initial construction, build a Manta to Manaus intermodal transport link, and make transport infrastructure improvements necessary for developing Ecuador's tourism potential. Villagran studied in the U.S., and is a strong supporter of U.S.-Ecuadorian friendship. End summary.

Trains, Planes, Automobiles

¶2. (U) Villagran began the meeting by saying that his ministry took very seriously the idea of honoring U.S. citizens Arthur and John Harman and former president Eloy Alfaro, the builders of the railroad line linking Ecuador's coastal and mountain regions, on the occasion of the railroad's 100th anniversary in June 2008. Ambassador Jewell expressed enthusiasm for the project and Villagran replied that plans were in the works, and promised to be in contact. He said that he hoped to declare 2008 "a year of friendship between Ecuadorian and American people."

¶3. (U) Villagran noted that plans for the Manta to Manaus intermodal transport link were progressing, and that the GOE and government of Brazil were still seeking international investors for the project. He said that work on the river port was under way and that improvements to regional airports were being studied (including at Vicente, Esmeraldas, Tena and Santa Rosa -- this echoes a request from Aviation Under Secretary Guillermo Bernal for technical assistance or

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equipment that might be useful in developing regional airports, see reftel). Villagran said the GOE has been talking with U.S. cargo carrier Arrow Air about developing a Miami-Manta-Manaus route, noting that he expected to come to an agreement within 20 days (Brazilian Ambassador later confirmed these flights will begin in January 2008).

¶4. (SBU) When Ambassador inquired whether the Ministry had reached conclusions or had questions about our proposed Open Skies agreement, Villagran said cautiously that the GOE was still studying the model text, but that his Under Secretary for Aviation would be in touch with the Embassy. Ambassador noted that Ecuadorian and U.S. carriers could both benefit from an Open Skies agreement.

¶5. (U) Villagran commented that something needed to be done about urban transport pollution, particularly with regard to buses. He expressed enthusiasm about the U.S. "Adopt a Highway" program, and the Ambassador promised to provide more information about potential resources or technical assistance the embassy might provide to help Ecuador implement a similar

program.

Developing Ecuador's Tourism

¶6. (SBU) In discussing regional transport development, Villagran told Ambassador Jewell about an architectural site in Manabi that he described as an "Ecuadorian Macchu Picchu" where U.S. archaeologist Marshall Saville made important findings in the early 20th century. He asked for assistance in recovering objects taken by Saville that are currently housed by the Smithsonian Institution. He said he wants to encourage the GOE to preserve the site and better market it internationally as a tourism destination. At the end of the meeting, Villagran introduced 13 of his advisors, one of whom works exclusively on tourism promotion.

¶7. (U) Bio notes: Villagran, the son of the Director of the U.S.-Ecuadorian binational center in Guayaquil, was appointed Minister of Transport on July 9. He studied law at the Universidad de Guayaquil, business at Florida International University, and negotiation at the University of California Berkeley.

¶8. (SBU) Comment: Minister Villagran is young, enthusiastic, and mentioned several times that he is concerned about operating transparently. During the 90-minute meeting he touched upon a wide variety of topics, without giving the impression that he has established his priorities. He did not seem to be well-informed about Open Skies, but we will continue to engage the Ministry of Transportation and encourage a bilateral discussion on the proposed agreement.

End comment.

JEWELL